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Filing date: **05/31/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054201
Party	Defendant Sleep Innovations, Inc.
Correspondence Address	ROBERT W SMITH MCCARTER ENGLISH LLP FOUR GATEWAY CENTER, 100 MULBERRY STREET NEWARK, NJ 07102 UNITED STATES rsmith@mccarter.com, ihurtado@mccarter.com, dpopovic@mccarter.com
Submission	Motion to Amend/Amended Answer or Counterclaim
Filer's Name	Robert W. Smith
Filer's e-mail	rsmith@mccarter.com, ihurtado@mccarter.com, dpopovic@mccarter.com
Signature	/robert w. smith/
Date	05/31/2013
Attachments	Registrant's Motion for Leave to Amend Answer.pdf(965340 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,916,902
For the Mark: BODIPEDIC (& Design)
Registration Date: February 8, 2011

DAN FOAM APS)	Cancellation No. 92054201
)	
Petitioner,)	
)	
v.)	
)	
SLEEP INNOVATIONS, INC.,)	
)	
Registrant.)	

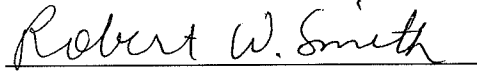
REGISTRANT’S MOTION FOR LEAVE TO AMEND ANSWER

Registrant Sleep Innovations, Inc. (“Registrant”), by its attorney, hereby moves, pursuant to Trademark Rule 2.115, for leave to amend its Answer to Petition for Cancellation to add an additional affirmative defense. Specifically, Registrant wishes to add an affirmative defense on the grounds that Petitioner cannot be damaged by U.S. Registration No. 3,916,902 based upon Registrant’s ownership of a prior existing and incontestable registration, namely U.S. Registration No. 3,137,309, for a substantially identical mark that covers substantially identical goods. As set forth in detail in the brief submitted herewith, Registrant respectfully requests that the Board grant Registrant’s Motion for Leave to Amend because the amendment will not

prejudice Petitioner or violate settled law.

Dated: May 31, 2013

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert W. Smith". The signature is written in dark ink and is positioned above a horizontal line.

Robert W. Smith
Irene M. Hurtado
McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102-4056
Tel: (973) 639-8493
Fax: (973) 297-6627
Attorneys for Registrant
Sleep Innovations, Inc.

CERTIFICATE OF SERVICE

The undersigned does hereby certify that on this day, I served a copy of the foregoing Registrant's Motion for Leave to Amend Answer, Registrant's Brief in Support of Motion for Leave to Amend Answer, and the Declaration of Irene M. Hurtado on counsel for Petitioner by regular mail, as follows:

Amy Sullivan Cahill
Stites & Harbison PLLC
400 West Market Street, Suite 1800
Louisville, KY 40202-3352

Date: May 31, 2013

A handwritten signature in cursive script, reading "Irene M. Hurtado", is written over a horizontal line.

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,916,902
For the Mark: BODIPEDIC (& Design)
Registration Date: February 8, 2011

DAN FOAM APS)	Cancellation No. 92054201
)	
Petitioner,)	
)	
v.)	
)	
SLEEP INNOVATIONS, INC.,)	
)	
Registrant.)	

DECLARATION OF IRENE M. HURTADO

IRENE M. HURTADO, of full age, declares as follows pursuant to 28 U.S.C. §1746:

1. I am an attorney of the State of New Jersey and am an associate at the Firm of McCarter & English, LLP. This Declaration is submitted in support of Registrant Sleep Innovations, Inc.'s ("Registrant") Motion for Leave to Amend Answer.
2. Registrant owns U.S. Registration No. 3,916,902 for the BODIPEDIC and Design mark ("Registrant's Mark") in connection with mattress toppers, pillows and mattresses, in Class 20 ("Registrant's Goods").
3. On July 1, 2011, Petitioner filed the Petition seeking cancellation of Registrant's Mark based upon Petitioner's claim that Petitioner has priority and that Registrant's Mark is confusingly similar to Petitioner's Mark.
4. On August 11, 2011, Registrant filed its Answer to Petition for Cancellation (the "Answer").
5. Registrant also owns U.S. Registration No. 3,137,309 for the word mark BODIPEDIC, in connection with mattress toppers, pillows, chair and chair cushions, in Class 20

(the “Word Mark”). The Word Mark has been registered since August 29, 2006, based on use in commerce since at least as early as February 2003, and it became incontestable on August 29, 2012.

6. Discovery in this proceeding closed on June 10, 2012. Petitioner filed a motion for summary judgment on August 7, 2012, and Registrant filed a cross-motion for summary judgment on September 17, 2012. The Board denied both motions for summary judgment on May 13, 2013.

7. While Registrant produced certain information concerning the Word Mark during discovery in this proceeding, Registrant inadvertently omitted from its Answer an affirmative defense based upon its ownership of the registration for the Word Mark, which is substantially identical to Registrant’s Mark and covers identical goods.

8. Registrant seeks leave to amend its Answer to assert as a defense that Petitioner “cannot be ‘damaged’ within the meaning of Lanham Act § 13 by registration” of Registrant’s Mark in connection with Registrant’s Goods because Registrant “owns an existing registration for the same or substantially identical mark for the same or substantially identical goods.”

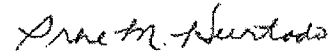
9. Registrant discovered that the Answer inadvertently excluded this affirmative defense on May 13, 2013, when the Board noted that Registrant had not asserted its prior registration as a defense in the Board’s decision on the parties’ cross-motions for summary judgment. A copy of the Board’s decision is attached hereto as Exhibit A.

10. Counsel for Registrant requested consent to this amendment from counsel for Petitioner on May 30, 2013. Counsel for Petitioner was not in the office at the time of our request and as of the time of this filing we have not received a response to our request from counsel for Petitioner. Registrant promptly filed this Motion seeking leave to amend its Answer.

11. A true and correct copy of Registrant's proposed Amended Answer is attached hereto as Exhibit B.

I hereby declare that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Executed this 31st day of May, 2013, in Newark, New Jersey.



Irene M. Hurtado

EXHIBIT A

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

DAN FOAM APS,

Petitioner,

v.

SLEEP INNOVATIONS, INC.,

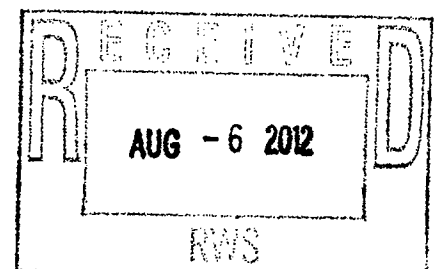
Registrant.

Cancellation Proceeding 92/054,201

**PETITIONER'S PRETRIAL DISCLOSURES
PURSUANT TO FED. R. CIV. P. 26(a)(3) and 37 C.F.R. § 2.121(e)**

Pursuant to Federal Rule of Civil Procedure 26(a)(3) and 37 C.F.R. § 2.121(e), Petitioner, Dan Foam APS ("Petitioner"), hereby serves its Pretrial Disclosures in the above-captioned proceeding.

Petitioner's investigation is ongoing and these disclosures are based upon the information reasonably available to Petitioner at this time. Petitioner reserves the right to remove from these disclosures any individual or document, if Petitioner learns that the information known by such individual or contained in such document is not discoverable, and while Petitioner assumes no obligation to voluntarily supplement or amend these disclosures to reflect information and/or documents discovered following the service of these disclosures, Petitioner also reserves the right to modify or supplement the information provided in these disclosures based upon continuing investigation and discovery in this proceeding. Petitioner reserves any applicable privileges that may apply to this disclosure and further supplemental disclosures, if any, or other potential discovery, including attorney-client and work product privileges.



I. IDENTIFICATION OF INDIVIDUALS PURSUANT TO FED. R. CIV. P. 26(A)(3)

Petitioner identifies the name and contact information of each witness it expects to take testimony from during the trial period of this matter and those whom Petitioner may take testimony from if the need arises. Per Rule 26(a)(3), Fed. R. Civ. P., this list does not include those witnesses whom Petitioner may seek testimony from solely for purposes of impeachment. Petitioner has provided contact information solely to comply with Rule 26(a)(3), and does not consent to or authorize any communications with any of its current or former employees or any communications which are otherwise prohibited by applicable rules of professional conduct.

1. Dan Setlak, Vice-President of Marketing
Tempur-Pedic North America, LLC
May be contacted through Petitioner's Counsel

Subjects – Petitioner's ownership of its TEMPUR-PEDIC and TEMPUR-PEDIC (& Design) marks ("Petitioner's Marks"); the history, and background of Petitioner's products and related intellectual property rights; the subject matter of the categories of documents identified as within the custody or control of Petitioner listed below; Petitioner's use of Petitioner's Marks in the United States; the strength of Petitioner's Marks in the United States; the nature of Petitioner's goods sold in connection with Petitioner's Marks; Petitioner's sales, advertising, marketing, and distribution of goods under Petitioner's Marks in the United States; the renown and fame of Petitioner's Marks in the United States; patents relating to products sold under Petitioner's Marks; channels of trade and intended consumers for goods bearing Petitioner's Marks; written agreements relating to Petitioner's Marks; Petitioner's exercise of quality control in connection with goods sold bearing Petitioner's Marks.

2. Dave Hochwalt, Vice-President, Global Tax
Tempur-Pedic North America, LLC

May be contacted through Petitioner's counsel

Subjects – Corporate structure and history of Petitioner, its predecessors in interest, its successors in interest, and its related companies; Petitioner's ownership of Petitioner's Marks; use of Petitioner's Marks by Petitioner's related companies in the U.S.; the manufacture and distribution of goods bearing Petitioner's Marks in the U.S. The history of business goodwill associated with Petitioner's Marks in connection with corporate acquisitions, mergers, and change(s) of names.

3. Sarah Hajjar, Director, Interactive Marketing or
Patrice Varni, Vice-President, Direct to Consumer
Tempur-Pedic North America, LLC
May be contacted through Petitioner's counsel

Subjects – The promotion and sale of goods bearing Petitioner's Marks on the Internet.

4. Joe Zucconi
Zucconi Idea Agency
3131 Route 38, Second Floor, Suite 11B
Mount Laurel, NJ 08054
Tel. 856-222-9939

Subjects – Respondent's knowledge of Petitioner and Petitioner's Marks; the development of Respondent's branding materials and advertising incorporating the challenged BODIPEDIC (& Design) mark. Documents produced by Zucconi Idea Agency in connection with this proceeding.

5. Jim P. Judge (Former Employee of Respondent)
Whereabouts unknown.

Subjects – The creation, selection and adoption of Petitioner's challenged BODIPEDIC (& Design) mark; Respondent's knowledge of Petitioner and Petitioner's Marks.

6. Lisa Thorstenson
Employee of Respondent

The creation, selection, and development of Registrant's BODIPEDIC (& Design) mark; Respondent's knowledge of Petitioner and Petitioner's TEMPUR-PEDIC (& Reclining Figure Design) mark; Respondent's market research relevant to the selection of the BODIPEDIC (& Design) mark and market research relevant to sales of BODIPEDIC (& Design) Products; the date of first use of Respondent's BODIPEDIC (& Design) mark in connection with the sale of Respondent's Products; the manner in which Respondent's BODIPEDIC (& Design) mark has been used in connection with each of Respondent's Products; the marketing and advertising efforts (including trade show attendance) made and planned to promote Respondent's BODIPEDIC (& Design) Products; the channels of trade through which Respondent sells and the customers to whom Respondent sells its BODIPEDIC (& Design) Products; the authenticity of all documents produced by Respondent in discovery to date; Respondent's current business operations or future business plans that include the use or planned use of BODIPEDIC (& Design); license agreements in place for Respondent's BODIPEDIC (& Design) mark; actual confusion or potential confusion between the BODIPEDIC (& Design) mark and the TEMPUR-PEDIC (& Reclining Figure Design) mark; surveys or experts retained to prove the legal claims asserted by Respondent in this proceeding; sales information relating to Respondent's BODIPEDIC (& Design) Products; customers of Respondent's BODIPEDIC (& Design) Products; sales channels for Respondent's BODIPEDIC (& Design) Products; Respondent's Answers to Petitioner's First Set of Interrogatories, Respondent's Responses to Petitioner's First and Second Requests for Admissions.

7. Sharon Miller
Employee of Respondent

Subjects – Respondent’s knowledge of Petitioner and Petitioner’s Marks; communication between Miller and outside advertising agencies; development of brand architecture and packaging materials incorporating the challenged BODIPEDIC (& Design) mark.

8. Michael Loomis
Employee of Respondent

Subjects – The nature and function of the products sold in connection with Respondent’s BODIPEDIC (& Design) mark; consumer facing claims associated with Respondent’s BODIPEDIC (& Design) mark; product testing of Petitioner’s Goods and Respondent’s Goods; product packaging for Petitioner’s Goods and Respondent’s Goods.

9. Representative(s) of Overstock.com
www.Overstock.com
Tel. 801-947-4370

Subjects – Respondent’s knowledge of Petitioner; actual confusion among consumers between Petitioner’s products and Respondent’s products; sales of Respondent’s products through www.overstock.com; documents produced by Overstock.com pursuant to subpoena in connection with this proceeding.

10. Representative(s) of CFKI, LLC f/k/a Interscope
Represented by counsel
Jesse B. Schneider
Davis & Gilbert LLP
1740 Broadway
New York, NY 10019

Subjects – Respondent’s knowledge of Petitioner; Respondent’s consumers and potential consumers; documents produced by CFKI f/k/a Interscope pursuant to subpoena in connection with this proceeding.

II. DESCRIPTION OF DOCUMENTS PURSUANT TO FED. R. CIV. P. 26(A)(3)

Petitioner identifies the following categories of documents or other exhibits that it plans to introduce in the trial period for this matter.

Documents produced pursuant to subpoena by www.Overstock.com;

Documents produced pursuant to subpoena by Zucconi Idea Agency

Documents produced pursuant to request by Spalding Graphic Media

Documents produced pursuant to subpoena by CFKI, LLC.

Certified status and title copies of U.S. registrations of Petitioner's Marks to be obtained from the U.S. Patent and Trademark Office.

Documents relating to the history and background of Petitioner.

Documents relating to the chain of title in ownership of Petitioner's Marks.

Documents relating to Petitioner's quality control over Petitioner's Goods bearing Petitioner's Marks.

Documents evidencing unsolicited third-party media attention provided to Petitioner's Goods bearing Petitioner's Marks.

Documents relating to the nature and quality of Petitioner's goods.

Documents relating to web traffic and sales associated with www.TempurPedic.com

Documents relating to Petitioner's sales, advertising, marketing, and distribution of products under Petitioner's Marks in the United States.

Documents relating to the strength, renown, and consumer recognition of Petitioner's Marks in the United States including the goodwill enjoyed by Petitioner in the marks, including through use by related companies.

Documents related to the channels of trade for goods to be sold in commerce under Respondent's Mark.

Documents relating to the creation and development of Petitioner's Mark.

Documents relating to the classes of purchasers for goods sold under Respondent's Mark.

Documents relating to Respondent's creation and adoption of Respondent's Mark, including its design element.

Documents relating to Respondent's registration of Respondent's Mark.

Documents relating to market research (including, surveys, studies, investigations and focus group inquiries) conducted by or on behalf of Respondent in connection with Respondent's Mark.

Documents relating to the nature and quality of products sold under Respondent's Mark.

Documents relating to Respondent's knowledge of Petitioner, Respondent's knowledge of Petitioner's Marks, and Respondent's knowledge of products sold bearing Petitioner's Marks in commerce.

Documents relating to actual confusion between the source of goods bearing Petitioner's Marks and the source of goods bearing Respondent's Marks.

Documents relating to Respondent's sale of goods under Respondent's Mark in commerce.

Documents related to the channels of trade for goods to be sold in commerce under Respondent's Mark.

Documents relating to the classes of purchasers for goods sold under Respondent's Mark.

Documents containing descriptions of the types of products sold under Respondent's Mark and the nature, function, and purpose of each such product.

Packaging for goods sold by Respondent bearing Respondent's Mark.

Documents relating to Respondent's consideration of alternatives to Respondent's Mark.

Documents reflecting Respondent's intent to trade on the goodwill of Petitioner or
Petitioner's Marks.

Documents bearing on the likelihood confusion that would be caused by Petitioner's
continued use and registration of Petitioner's Marks.

Respectfully submitted,

By: s/Amy Sullivan Cahill/
Amy Sullivan Cahill
STITES & HARBISON PLLC
400 West Market Street
Suite 1800
Louisville, Kentucky 40202
Tel: 502-587-3400
Fax: 502-587-6391
Email: acahill@stites.com

Attorney for Petitioner

CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2012 a copy of the Petitioner's Pretrial Disclosures
were served on counsel for Respondent, via first class mail, postage prepaid to:

IRENE HURTADO
ROBERT W SMITH
MCCARTER & ENGLISH LLP
FOUR GATEWAY CENTER
100 MULBERRY STREET
NEWARK, NJ 07102

s/Amy Sullivan Cahill

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EXHIBIT B

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

-----X	:	
DAN FOAM APS,	:	Cancellation No. 92054201
	:	
Petitioner,	:	
	:	
-against-	:	Registration No.: 3,916,902
	:	
SLEEP INNOVATIONS, INC.,	:	
	:	
Registrant.	:	
-----X	:	

[PROPOSED] AMENDED ANSWER TO PETITION FOR CANCELLATION

Registrant Sleep Innovations, Inc. ("SI"), by way of Amended Answer to the
Petition for Cancellation filed herein, responds as follows:

1. Answering Paragraph 1, SI is currently without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained therein.
2. Answering Paragraph 2, SI states that it is a New Jersey Corporation with offices at 187 Route 36, Suite 101, West Long Branch, New Jersey 07764.
3. Answering Paragraph 3, SI is currently without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained therein.
4. Answering Paragraph 4, SI is currently without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained therein.
5. Answering Paragraph 5, SI states that on June 24, 2010, SI filed U.S. Application No. 85/070,859 with the United States Patent and Trademark Office (the "PTO") to register the mark BODIPEDIC & Design in connection with mattress toppers,

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pillows, and mattresses in Class 20 (the "Application"). SI further states that the Application proceeded to registration on February 8, 2011, and was assigned U.S. Registration No. 3,916,902 (the "Registration"). SI denies the remaining allegations contained in Paragraph 5 of the Petition.

COUNT I: LIKELIHOOD OF CONFUSION

6. Answering the paragraph incorrectly labeled as Paragraph 10 of the Petition, SI is currently without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained therein..

7. SI denies the allegations contained in the paragraph incorrectly labeled as Paragraph 11 of the Petition.

8. SI denies the allegations contained in the paragraph incorrectly labeled as Paragraph 12 of the Petition.

9. SI denies the allegations contained in the paragraph incorrectly labeled as Paragraph 13 of the Petition.

FIRST AFFIRMATIVE DEFENSE

The Petition to Cancel fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

The Petitioner lacks standing to bring a cause of action for cancellation of SI's Registration.

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THIRD AFFIRMATIVE DEFENSE

There is no likelihood of confusion, mistake or deception of the public between the Petitioner's mark and the mark that is the subject of the Registration.

FOURTH AFFIRMATIVE DEFENSE

Laches bars Petitioner's claims and Petitioner is estopped from seeking cancellation of SI's Registration.

FIFTH AFFIRMATIVE DEFENSE

Petitioner cannot suffer damage as a result of the Registration because SI owns prior existing U.S. Registration No. 3,137,309 for the word mark BODIPEDIC, which is substantially identical to the mark covered by the Registration, and covers goods that are substantially identical to the goods covered by the Registration, namely, mattress toppers, pillows, chair and chair cushions, in Class 20.

WHEREFORE, SI requests that the Petition for Cancellation be dismissed with prejudice and with costs awarded in favor of SI.

Dated: May 31, 2013 McCARTER & ENGLISH, LLP

By: _____
Robert W. Smith

Four Gateway Center
100 Mulberry Street
Newark, NJ 07102
(973) 622-4444

Attorneys for Sleep Innovations, Inc.

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,916,902
For the Mark: BODIPEDIC (& Design)
Registration Date: February 8, 2011

DAN FOAM APS)	Cancellation No. 92054201
)	
Petitioner,)	
)	
v.)	
)	
SLEEP INNOVATIONS, INC.,)	
)	
Registrant.)	

**REGISTRANT'S BRIEF IN SUPPORT OF
MOTION FOR LEAVE TO AMEND ANSWER**

Registrant Sleep Innovations, Inc. ("Registrant") submits this Brief in support of its Motion to Amend its Answer to Petition To Cancel ("Registrant's Motion"). Leave to amend should be freely granted unless the amendment would violate settled law or the adverse party would be prejudiced by the amendment. Neither of those grounds exist here and Registrant's Motion should be granted.

PROCEDURAL AND FACTUAL BACKGROUND

Registrant owns U.S. Registration No. 3,916,902 for the BODIPEDIC and Design mark ("Registrant's Mark") in connection with mattress toppers, pillows and mattresses, in Class 20 ("Registrant's Goods"). Declaration of Irene M. Hurtado ("Hurtado Decl."), ¶ 2. On July 1, 2011, Petitioner filed the Petition seeking cancellation of Registrant's Mark based upon Petitioner's claim that Petitioner has priority and that Registrant's Mark is confusingly similar to

Petitioner's Mark. Hurtado Decl., ¶3. Registrant filed its Answer to Petition for Cancellation on August 11, 2011 (the "Answer"). Hurtado Decl., ¶4.

Registrant also owns U.S. Registration No. 3,137,309 for the word mark BODIPEDIC, in connection with mattress toppers, pillows, chair and chair cushions, in Class 20 (the "Word Mark"). Hurtado Decl., ¶5. The Word Mark has been registered since August 29, 2006, based on use in commerce since at least as early as February 2003, and it became incontestable on August 29, 2012. Id.

Discovery in this proceeding closed on June 10, 2012. Hurtado Decl., ¶6. Petitioner filed a motion for summary judgment on August 7, 2012, and Registrant filed a cross-motion for summary judgment on September 17, 2012. Id. The Board denied both motions for summary judgment on May 13, 2013. Id.

While Registrant produced certain information concerning the Word Mark during discovery in this proceeding, Registrant inadvertently omitted from its Answer an affirmative defense based upon its ownership of the registration for the Word Mark, which is substantially identical to Registrant's Mark and covers substantially identical goods. Hurtado Decl., ¶7. Registrant seeks leave to amend its Answer to assert as a defense that Petitioner "cannot be 'damaged' within the meaning of Lanham Act § 13 by registration" of Registrant's Mark in connection with Registrant's Goods because Registrant "owns an existing registration for the same or substantially identical mark for the same or substantially identical goods." Gould v. General Mktg. Capital, 2013 TTAB LEXIS 157, 30-31 (TTAB Mar. 26, 2013). This equitable defense is commonly referred to as the Morehouse defense, based upon the articulation of this principle in Morehouse Mfg. Corp. v. J. Strickland & Co., 407 F.2d 881 (C.C.P.A. 1969).

Registrant discovered that the Answer inadvertently excluded the Morehouse defense on May 13, 2013, when the Board noted that Registrant had not asserted its prior registration as a defense in the Board's decision on the parties' cross-motions for summary judgment. Hurtado Decl., ¶3, Ex. A. Counsel for Registrant requested consent to this amendment from counsel for Petitioner on May 30, 2013, but as of the time of this filing, Petitioner has not responded to that request. Id., ¶10. Registrant promptly filed this Motion seeking leave to amend its Answer upon discovering that it had inadvertently omitted the affirmative defense from its Answer. Id.

Registrant has valid grounds to assert an affirmative defense based upon its ownership of a prior existing registration for the substantially similar Word Mark that covers goods that are substantially identical to Registrant's Goods. Petitioner was put on notice of Registrant's Mark during discovery in this proceeding, Registrant produced certain information regarding the Word Mark during discovery, and the application file and registration of the Word Mark have been publicly available for years. Based upon the registration for the Word Mark Petitioner has been on constructive notice of Registrant's claim of ownership in and to the Word Mark since August 29, 2006. See 15 U.S.C. §1072. The Word Mark is incontestable and can only be challenged on very limited grounds, none of which apply here. As such, the only issues raised by the proposed affirmative defense are whether the Word Mark is substantially identical to Registrant's Mark and whether the goods covered by the Word Mark are the same or substantially identical to the goods covered by Registrant's Mark. These are legal issues that do not require additional discovery. As such, Petitioner will not be prejudiced by Registrant's amendment of its Answer to assert this additional affirmative defense.

ARGUMENT

I.

REGISTRANT SHOULD BE GRANTED LEAVE TO AMEND ITS NOTICE OF OPPOSITION.

A. Leave To Amend Is Freely Given When Justice So Requires

Pursuant to Trademark Rule 2.115, “[p]leadings in a cancellation proceeding may be amended in the same manner and to the same extent as in a civil action in a United States district court.” 37 C.F.R. § 2.115. Rule 15(a) of the Federal Rules of Civil Procedure governs amendment of pleadings in a civil action in the United States district courts, and provides that “leave [to amend] shall be freely given when justice so requires.” Fed. R. Civ. P. 15(a); Trademark Trial and Appeal Board Manual of Procedure (“TBMP”), 3rd ed. May 2001, §507.02.

The Board “liberally grants leave to amend pleadings at any stage of a proceeding when justice so requires, unless entry of the proposed amendment would violate settled law or be prejudicial to the rights of the adverse party or parties.” TBMP §507.02. This is true even when an opposer seeks to amend its complaint to plead a claim other than those stated in the original complaint. See id.; Jimmy Buffett v. Chi-Chi’s, Inc., 226 U.S.P.Q. 428 (TTAB 1985) (granting motion to amend opposition to add two claims where motion was filed more than a year after commencement of the proceeding, as applicant was not substantially prejudiced); see also The Toro Co. v. ToroHead, Inc., 61 U.S.P.Q.2d 1164 (TTAB 2001) (granting opposer’s motion to amend pleading to assert dilution claim). This liberal approach for granting leave to amend “ensures that a particular claim will be decided on the merits rather than on technicalities.” Dole v. Arco Chemical Co., 921 F.2d 484, 487 (3rd Cir. 1990). Here, the Board should allow Registrant to amend its pleading because such amendment would not violate settled law or be

prejudicial to Applicant. In addition, allowing Registrant to amend its pleading would promote the interests of justice.

1. Petitioner will not be prejudiced by Registrant's proposed amendment

The question of whether an adverse party would be prejudiced by allowance of a proposed amendment "is largely depending on the timing of the motion to amend." Beth A. Chapman, Tips from the TTAB: Amended Pleadings: The Right Stuff, 81 Trademark Rep. 302, 305 (1991); see Anheuser-Busch, Inc. v. Caught-on-Bleu, et al, 2001 TTAB LEXIS 816 (TTAB November 19, 2001), citing Commodore Electronics Ltd. v. CBM Kabushiki Kaisha, 26 U.S.P.Q.2d 1503 (TTAB 1993). Here, Petitioner will not be prejudiced by the amendment of the Answer. During discovery, Registrant produced certain information concerning the Word Mark. The application file and registration of the Word Mark are public record, and Petitioner is deemed to have constructive notice of Registrant's claim of ownership in the Word Mark based upon its registration. See 15 U.S.C. § 1072. The Word Mark is incontestable and may only be challenged on limited grounds, each of which is inapplicable here, such as fraud on the Patent and Trademark Office and genericness.

The only issues raised by the affirmative defense are legal issues: whether the Word Mark and Registrant's Marks are substantially identical and whether the goods covered by both marks are substantially identical. See 15 U.S.C. §§ 1064 and 1065. As such, little, if any, additional discovery will be needed as a result of Registrant's proposed amendment. To the extent that Petitioner contends that additional discovery would be necessary, Registrant would have no objection to reopening the discovery period for a brief period of time.

The Board has frequently determined that parties would not be prejudiced by amendments of pleadings where the proceedings at issue were not yet at the trial brief stage.

See, e.g., American Optical Corp. v. American Olean Tile Company, Inc., 168 U.S.P.Q. 471 (TTAB 1971) (finding no substantial prejudice to applicant where motion to amend was filed after opposer's testimony period and before applicant's testimony period and providing applicant leave to take discovery thereon); Cool-Ray, Inc. v. Eye Care, Inc., 183 U.S.P.Q. 618, 621 (TTAB 1974) (no substantial prejudice to applicant where trial period had not yet commenced); Mack Trucks, Inc. v. Monroe Auto Equipment Co., 182 U.S.P.Q. 511, 512 (TTAB 1974) (no substantial prejudice to applicant where no testimony had yet been taken); Boral Ltd. et al. v. FMC Corp., 59 U.S.P.Q.2d 1701 (TTAB 2000) (no substantial prejudice where motion filed over two years after commencement of the proceeding); Jimmy Buffett, 226 U.S.P.Q. at 428 (no substantial prejudice to applicant where motion was filed more than a year after commencement of the proceeding). Here, the testimony periods have not yet opened. Thus, Petitioner will suffer no prejudice as a result of Registrant's amended pleading.

2. Entry of the proposed amendment would not violate settled law and Registrant's proposed amendment is legally sufficient.

In addition to the fact that Petitioner would not be prejudiced by an amendment of the pleadings, the Board should grant Registrant's motion because an amendment of Registrant's Answer to assert an additional affirmative defense based upon its registration for the Word Mark would not violate settled law, as the Morehouse defense is a valid and recognized affirmative defense in an inter partes proceeding. See TBMP §311.02(b).

When a moving party seeks to add a new claim or defense, the Board also considers whether the proposed amendment to the pleading is legally sufficient. See, e.g., Anheuser-Busch, Inc. v. Caught-on-Bleu, et al, 2001 TTAB LEXIS 816 (TTAB November 19, 2001). Registrant's proposed Amended Answer, attached as Exhibit B to the Hurtado Declaration, adequately alleges facts sufficient to support its affirmative defense based upon a prior existing

registration for a substantially similar mark that covers the same or substantially identical goods. Here, Registrant's Mark, BODIPEDIC (and design), is substantially identical to the Word Mark, BODIPEDIC. In addition, Registrant's Mark covers "mattress toppers, pillows and mattresses," in Class 20, and the Word Mark covers "mattress toppers, pillows, chair and chair cushions," in Class 20. Given the substantially identical nature of the marks and the goods covered by the marks, Registrant has alleged facts sufficient to support the Morehouse defense and Registrant should be granted leave to file its amended Answer.

3. The interests of justice would be served by allowing Registrant to file an amended pleading.

By permitting Registrant to amend its Answer, the interests of justice would be served. In Jimmy Buffett, the Board found that the interests of justice and judicial economy were served by allowing an opposer to amend its claims more than a year after the commencement of the proceeding, so that opposer was able to "proceed to trial on all claims pertaining to the involved application at this time." Jimmy Buffett, 226 U.S.P.Q. at 428 (TTAB 1985). Here, the interests of justice will be served by permitting Registrant to amend its Answer to assert the proposed affirmative defense so that this matter can proceed to trial upon all issues relating to Registrant's Mark and Petitioner's Mark.

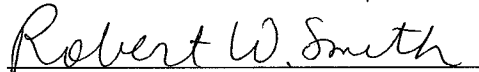
CONCLUSION

For the foregoing reasons, Registrant respectfully requests that its Motion for Leave to

Amend be granted.

Dated: May 31, 2013

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert W. Smith". The signature is written in dark ink and is positioned above a horizontal line.

Robert W. Smith

Irene M. Hurtado

McCarter & English, LLP

Four Gateway Center

100 Mulberry Street

Newark, NJ 07102-4056

Tel: (973) 639-2061

Fax: (973) 624-7070

Attorneys for Registrant

Sleep Innovations, Inc.